



## Commission sends Statement of Objections to Alchem over first pharmaceutical cartel case in the EU

Brussels, 13 June 2024

The European Commission has informed **Alchem International Pvt. Ltd.** and its subsidiary **Alchem International (H.K.) Limited** (together 'Alchem') of its preliminary view that they have breached EU antitrust rules by participating in a long-lasting cartel concerning an important pharmaceutical product.

Alchem is a producer of the pharmaceutical ingredient N-Butylbromide Scopolamine/Hyoscine ('SNBB'). The Commission has concerns that Alchem may have coordinated and agreed with other market participants to fix the minimum sales price of SNBB to customers (i.e., distributors and generic drug manufacturers) and to allocate quotas. In addition, Alchem may have exchanged commercially sensitive information with competitors. In [October 2023](#), the Commission adopted a settlement decision in relation to the same cartel and concerning other companies.

SNBB is an important input material to produce the abdominal antispasmodic drugs, *Buscopan* and its generic versions.

If the Commission's preliminary view were confirmed, such behaviour would violate EU rules that prohibit anti-competitive business practices such as collusion on prices and market sharing ([Article 101](#) of the Treaty on the Functioning of the European Union and Article 53 of the EEA Agreement).

The sending of a Statement of Objections does not prejudice the outcome of the investigation.

### Background

In [October 2023](#), the Commission fined Alkaloids of Australia, Alkaloids Corporation, Boehringer, Linnea and Transo-Pharm a total of €13,4 million for their involvement in the SNBB cartel. C2 PHARMA was not fined as it revealed the cartel to the Commission under the leniency programme. All six companies admitted their involvement in the cartel and agreed to settle the case.

In the context of the same investigation, the Commission opened proceedings against a seventh company, Alchem. Alchem was not covered by the October 2023 settlement decision, and therefore the investigation concerning this company continued under the standard (non-settlement) cartel procedure.

A Statement of Objections is a formal step in Commission investigations into suspected violations of EU rules on restrictive business practices. The Commission informs the parties concerned in writing of the objections raised against them. The parties can then examine the documents in the Commission's investigation file, reply in writing and request an oral hearing to present their comments on the case before representatives of the Commission and national competition authorities. In this specific case, the party can also examine the documents in a confidentiality ring (i.e., a form of non-disclosure arrangement under which the parties' legal representatives are authorised to review specified confidential material), which help speeding the process.

If the Commission concludes, after the parties have exercised their rights of defence, that there is sufficient evidence of an infringement, it can adopt a decision prohibiting the conduct and imposing a fine of up to 10% of a company's annual worldwide turnover.

There is no legal deadline for the Commission to complete antitrust inquiries into anticompetitive conduct. The duration of an antitrust investigation depends on a number of factors, including the complexity of the case, the extent to which the companies concerned cooperate with the Commission and the exercise of the rights of defence.

### For More Information

More information on this case will be available under the case number [AT.40636](#) in the public case register on the [Commission's competition website](#).

For more information on the Commission's actions against cartels, including on how individuals or

companies can report suspicious cartel behaviour, see the Commission's dedicated [cartels website](#). The website also provides statistics on cartel enforcement. A periodic compilation of antitrust and cartel news is available in the [Competition Weekly News Summary](#).

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Quotes:

*"We are concerned that Alchem may have taken part in an agreement with competitors to coordinate prices and allocate quotas for an active pharmaceutical ingredient used to produce a widely prescribed drug. As a result, European consumers may have suffered from restricted access to affordable medicines. Alchem now has the possibility to respond to our concerns."*  
Margrethe Vestager, Executive Vice-President in charge of competition policy - 13/06/2024

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